

The complaint

Mr D complains that a car supplied to him under a hire purchase agreement with CA AUTO FINANCE UK LTD was of an unsatisfactory quality.

What happened

In January 2024, Mr D was supplied with a used car through a hire purchase agreement with CA. The cash price of the car was £27,995. Mr D made an advance payment of £1,500, and the amount of credit under the agreement was £26,495 to be repaid over 60 months; with 59 monthly payments of £567.92 and a final payment of £577.92. At the time of supply, the car was around six years old and had covered around 44,500 miles.

A few weeks after the car was supplied, Mr D reported that the air suspension had dropped in one corner – which was caused by a faulty suspension level sensor. Because Mr D lived a long distance from the dealership, it agreed that he could arrange to have the sensor replaced and reimbursed the cost.

In July 2024, Mr D made a complaint to CA. He said he'd experienced several other problems with the car since it was supplied. In summary:

- The rear offside door lock module developed a fault in April 2024, causing the car alarm to sound at night.
- The PCV oil separator was replaced in June 2024 as it failed and was burning oil excessively.
- He believed the exhaust had been modified by a previous owner, as it had no back boxes or flutter valves.
- The gearbox was struggling when changing gear, and the car was jolting and sluggish to pull away.
- He believed the car had been remapped by a previous owner, which was causing parts to fail prematurely.

Mr D said he wanted to reject the car and asked CA to refund the amounts he'd spent repairing it since it was supplied. CA didn't think Mr D had shown the car wasn't of a satisfactory quality at the point of supply. It noted that Mr D hadn't made it aware of any of the problems he'd experienced since February 2024 despite arranging repairs at his own cost. It said there was no evidence the car had been remapped before supply, and believed Mr D would have experienced problems much earlier if there had been a fault.

The complaint was referred to this service. Our Investigator considered the complaint but didn't think there was enough evidence to suggest a fault that meant the car was of unsatisfactory quality when it was supplied. They also noted that Mr D had arranged several repairs himself, and that CA hadn't been given the opportunity to investigate or rectify the issues. They said one of the reasons Mr D had chosen the car was the type of exhaust that had been fitted – so would have expected him to have inspected the exhaust when the car was supplied. So, they didn't think there were grounds for Mr D to reject the car, and didn't think it would be fair to tell CA to cover the costs he incurred.

Mr D didn't accept the Investigator's conclusions. He said he should be able to reject the car – but if he couldn't CA should at least refund what he'd paid for repairs. He said he didn't inspect the exhaust when the car was supplied but suspected a problem with it two weeks later and took a photo – which shows that the back boxes had been removed. He asked for the complaint to be referred to an Ombudsman for a final decision. So, it's been passed to me to decide.

Since the complaint was referred to this service, Mr D says he's sold the car and the agreement with CA has been settled.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Mr D was supplied with a car under a hire purchase agreement. This is a regulated consumer credit agreement which means I can consider a complaint about it.

The CRA covers agreements such as the one Mr D entered into. Under this agreement, there is an implied term that the goods supplied will be of satisfactory quality. The CRA says that goods will be considered of satisfactory quality where they meet the standard that a reasonable person would consider satisfactory – taking into account the description of the goods, the price paid, and other relevant circumstances. I think in this case those relevant circumstances include, but are not limited to, the age and mileage of the car and the cash price. The CRA says the quality of the goods includes their general state and condition, as well as other things like their fitness for purpose, appearance and finish, freedom from minor defects, safety, and durability.

So, if I thought the car was faulty when Mr D took possession of it, or that the car wasn't sufficiently durable, and this made the car not of a satisfactory quality, it'd be fair and reasonable to ask CA to put this right.

In Mr D's case the car was six years old, had a cash price of around £28,000 and had covered nearly 45,000 miles. So, I would expect the car to have significantly more wear and tear than a newer or more expensive one. And it's likely a car of that age and mileage would require some level of repair and maintenance much sooner than a newer one would.

It's not in dispute that the car was supplied with a faulty suspension level sensor. I'm satisfied that issue was put right by the dealership at the time, as it covered the cost of the repair arranged by Mr D. So, I won't comment in detail on this issue. I've instead focussed on the other problems Mr D reported.

Mr D says the problems he experienced with the car have now been repaired at his own cost. Some of these repairs took place before Mr D reported his concerns to CA – and the evidence regarding those issues and what caused them is limited. The car has now been sold, so it's no longer possible to carry out further investigations or diagnostics. So, I've considered the evidence that is available to determine – on balance – whether faults were

present or developing at the point of supply that meant the car wasn't of satisfactory quality.

Under the CRA, it's assumed that any faults within the first six months of the agreement were present or developing at the point of supply – unless there's evidence to suggest otherwise. Where faults occur after more than six months, that assumption doesn't apply. In this case, Mr D reported the problems after six months – but says some faults occurred earlier than that. I've considered what's more likely on the balance of probabilities, taking the available evidence and other relevant circumstances into account.

Where there's a problem, I'd expect a customer to take reasonable steps to mitigate their losses. It's also reasonable that problems with a car are reported to the dealership and finance company before repairs are carried out, and that the lender be given the opportunity to look into things before agreeing to reject or repair the car. I've kept this in mind when considering Mr D's complaint.

I've addressed each of the faults Mr D reported in turn.

PCV and oil burning issues

Mr D says the PCV oil separator blew in June 2024 and started burning oil excessively. Mr D has provided an invoice for the replacement valve. I haven't seen any report or other evidence showing that there was an issue with the PCV valve, but I have no reason to doubt Mr D when he says it needed to be replaced.

The PCV valve is subject to wear and tear, so I'd expect it to need to be replaced at some point during the car's life. There's no set timeframe for a PCV valve to be replaced, but research suggests a general recommendation that it may need to be replaced between 20,000 and 60,000 miles.

The car was supplied with a mileage of around 44,500 – so I would expect it to require some routine maintenance sooner than one that had travelled fewer miles. Mr D says the problem occurred around five months after the car was supplied. If the valve had failed prematurely due to a fault that was present at the point of supply, I think it's likely the problem would have presented itself sooner. And I haven't seen any inspection reports or job cards to suggest that the replacement was necessary due to a fault. So, I'm satisfied the PCV valve replacement was part of the day-to-day maintenance of the car and doesn't suggest that it wasn't of satisfactory quality at the point of supply.

Gearbox issues and remapping

Mr D started experiencing problems with the car jolting roughly in July 2024 – around six months after the car was supplied. He thought this was due to a fault with the gearbox – and suspected that it was caused by the car being re-mapped by a previous owner.

Mr D says the car was mapped as early as 2019 based on a conversation he had with the manufacturer. The manufacturer has since said the car has been mapped – but was unable to say when this would have taken place. Mr D first suspected the car had been mapped around six months after supply – and I haven't seen anything to demonstrate when this happened. Nor have I seen any evidence linking the remap to the problems Mr D experienced with the gearbox. If the car had been remapped several years before it was supplied to Mr D, and this was causing problems with the gearbox – as he suggested – I think it's likely that this problem would've presented itself almost immediately after the car was supplied, and by much earlier than July 2024.

An invoice from Mr D's garage notes some intermittent jolting but doesn't suggest a possible

cause for this issue, instead recommending further investigations. Mr D says that the problem resolved itself after he fitted a new gearbox mount, and further investigations weren't carried out. While I don't doubt Mr D experienced a problem linked to the gearbox, I haven't seen evidence to persuade me that this was caused by a fault that was present or developing when the car was supplied to Mr D.

Exhaust

Mr D first noticed a potential problem with the exhaust when he discovered the back boxes had been removed – and he took a photo showing this two weeks after the car was supplied. He said he didn't query this at the time because it didn't appear to be causing any problems – but that by June 2024 the baffle had broken loose and was causing a rattling noise. The invoice from Mr D's garage in August 2024 says *"Customer reports noises from exhaust... No blowing exhaust components noted upon inspection, exhaust system missing back boxes. Centre baffle has sign of damage."*

It seems likely – based on the photo provided by Mr D and the comments from his garage – that the exhaust's back box had been removed before the car was supplied. But I haven't seen evidence to show that this modification caused the damage that Mr D describes, or that the exhaust needed to be replaced in its entirety. Nor have I seen anything to suggest that the modification made the car unroadworthy or otherwise affected its performance.

The exhaust fitted to the car was an aftermarket performance item – and Mr D says this was one of the reasons he chose the car to begin with. Mr D was aware of the modification – at the very latest – two weeks after the car was supplied when he took the photo. I think it's fair to say that Mr D has some knowledge of exhausts, and ought reasonably to have been aware of the potential implications of it being modified. Given that the exhaust was an important factor in Mr D choosing the car, if he had concerns about its condition I'd have expected this to be raised at the time – rather than six months later.

Mr D didn't make CA aware of the problem until July 2024 – more than six months after the car was supplied – so it didn't have the opportunity to inspect or rectify the exhaust until after Mr D says it started to cause a problem. Had CA been aware sooner, it may have been able to inspect the exhaust and carry out a repair – if one was necessary - at a lower cost and before any damage occurred. I also note that Mr D purchased and fitted a replacement exhaust while CA was still looking into his concerns. While the exhaust was modified, I don't conclude based on the available evidence that this meant the car was of an unsatisfactory quality at the point of supply. And even if it was, I don't think Mr D mitigated his loss by continuing to drive the car and not reporting his concerns at an earlier point. So, I can't fairly hold CA liable for the cost of replacing the exhaust.

Other issues

Mr D says he experienced a fault with the offside door lock. But I haven't seen any evidence to demonstrate this fault, what caused it, or the costs Mr D incurred to repair it. So I can't fairly conclude – on balance – that there was a fault with the lock at the point of supply, or that CA should reimburse this cost.

Mr D's garage also found evidence of fuel in the engine oil, as there was a smell when opening the oil filler cap. Mr D says this problem was resolved when he fitted a fuel pump repair kit. I haven't seen any additional evidence to demonstrate what caused this or whether a fault was present at the point of supply.

Summary

I appreciate my decision will come as a disappointment to Mr D, but for the reasons I've explained and having considered all of the evidence, I don't find that CA made an error by not allowing him to reject the car. Nor do I find that CA is responsible for the costs Mr D incurred arranging repairs. It follows that I don't uphold this complaint, and don't require CA to do anything further.

My final decision

For the reasons I've explained, my final decision is that I don't uphold Mr D's complaint about CA AUTO FINANCE UK LTD.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 10 September 2025.

Stephen Billings
Ombudsman